



HB 122 – Provide for Benefit and Funding Changes to the Public Employees' Retirement System

- ❖ The PERS is currently not actuarially sound due to the economic conditions beyond our control.
- ❖ The plans have been well managed by the staff and Board. Only 3 of the 8 eight defined benefit plans administered by the Board are not actuarially sound.
- ❖ The Board made some difficult decisions regarding plan changes; however, plan changes can only address new hires.
- ❖ The impact of making benefit changes will not be noticeable for approximately 10 years.
- ❖ Therefore, plan changes alone will not address the issue. Funding must be provided.
- ❖ It is well-known fact that the retirement plans received an infusion of cash. The total amount was \$175M. The public doesn't realize that there are approximately a dozen retirement plans. Every plan was not a recipient of this cash. In fact, the Teachers' Retirement System received \$150M while PERS received \$25M.
- ❖ HB 122 is the only proposal that *addresses the funding issue,* ~~provides a stable retirement vehicle for our members.~~

- ❖ There are other proposals, including a DC plan for all new hires. These options propose closing the plan to new entrants. These proposals will still have to address the unfunded actuarial liability. Closing the plan to new entrants actually exacerbates the problem by reducing contributions.
- ❖ I am a member of the PERS-DCRP. I appreciate the option to choose between the DBRP and the DCRP.
- ❖ I recognize that plan choice is different for different individuals.
- ❖ Under the Board's proposal new hires will still have the option to choose between the defined contribution and defined benefit plans.
- ❖ I appreciate your attention and respectfully request your support of HB 122.